TO: Unit Owners

FROM: Management

DATE: January 2, 2006

RE: End of Year Report

(1) The first 8 months of operation were progressive, as the previous year was. Our operating expenses for 2005 were in the BLACK and projecting no major increases the Board has adopted the same budget for 2006 as we had for 2005 with no increase in monthly condo dues, at this time. However, there might be a special assessment for unit owners to vote on for replacement of our fences which were not covered by insurance. This can take place at the deferred Annual Owners Meeting which should have been held in December, 2005, but due to the situation the Board felt it would be a more representative meeting when all unit owners are back on premises. Also, at this meeting the Board Presidency is up for a vote to continue with out current President, Sultan Mirza, or someone new for a three year term. Also, at this meeting it could be voted on to use any excess Katrina money, if any, for fence repairs rather than a special assessment. Consideration is being given to replace the wood fence with a chain link fence which will be more economical.

(2) The important issue for 2005 was Katrina, which hit us hard, but not out. Management was able to negotiate roof repairs, the most significant damage, within 3 weeks after the storm passed and had the work completed 4 weeks thereafter which enabled unit repairs to begin. Controlling contractors has been difficult and the amount of debris coming out of the units has been monumental. To date 4 unit owners have completed repairs and are occupying their units.

(3) The Board would like to clarify some issues which some do not agree with, but FCC being a condominium there is the Condo Document which includes By Laws and Rules & Regulations for ALL to live and abide by.

(4) The Condo Document states that in the event of a Katrina disaster and the loss exceeds 5% of the building value the Board will have an architect supervise the work using one contractor. Some disagree with this, but our attorney will back this up. After the storm the Board and management were scattered to the winds and could not take the immediate action required leaving the door open to uncontrollable tearouts and repairs. Some claimed that using one contractor the work would not get completed fast enough; work would be inferior and not of the same quality; and why pay a contractor such a high profit. At the time the roof repairs contract was to be signed the contract included unit repair work which was deleted. The contractor was ready at that time to put 5 crews in FCC and was to be paid by the insurance company for whatever it took to do the repairs relieving the unit owner to come up with any money out of his pocket and go through the problem of finding a reliable contractor. All the unit owner had to do was to have a place to stay while work was being completed. In management's opinion, all unit work would be 85% complete at this writing.

(5) The most frustrating have been the cries that you haven't been informed and the demand for YOUR money.

(6) First, I understand why a few of you feel that you are not being informed. I have read in part those "e-mails", also. When pertinent and accurate information was received, you got it.

(7) Second, you must understand that contrary to the "e-mails" you received the insurance money FCC receives is not the individual unit owners having damage. The insurance money belongs to FCC Association who has the responsibility to repair your units. Since the Board was overrun by unit owners wanting to repair their own unit, the Board decided to allow them to proceed. However, the Board had the authority to pay you only what you paid to repair your unit UP TO what was estimated to be your damage. This is backed up by our attorney, so don't listen to those "e-mails" which tell you wrong information. Even though the Board had the obligation to pay you only what you spent, the Board decided to pay you the total amount of what was estimated by the insurance company.



SO, FOR FUTURE REFERENCE, WHEN FCC EXPERIENCES ANOTHER KATRINA DISASTER, THERE WILL BE ONE CONTRACTOR DOING THE REPAIRS IN ACCORDANCE WITH THE CONDO DOCUMENT.

(9) The following is a cash on hand report for the year ending December 31, 2005:

REPLACEMENT ACCOUNT:	$28,470.00
INSURANCE ACCOUNT:	$18,950.00
OPERATING ACCOUNT:	$ 5,449.00



KATRINA INSURANCE ACCOUNTING, REFER TO ATTACHED BOARD REPORT



Your manager has survived the storm. Some mistakes were made, and contrary to the rumors that I have resigned, fired or taken a leave of absence, I'm still here to do what I was hired to do. I will leave only at the request of the Board. To be honest, the past 4 months have been stressful and disappointing. Stressful from the magnitude of the responsibility; giving you 24/7; not sleeping at night; on edge with my family; raising my blood pressure; working in my crowded up stairs of my flooded house with the FEMA trailer in front (I took FCC's computer and financial records out of the office, kept them with me while I was out of town and set up a makeshift office when I could get to my house); and hearing about (I never read any of them in their entirety) the scathing e-mails filled with lies which some of you fell prey to. It was also disappointing to find out how selfish, greedy, mean and dishonest some of you are.

TO ALL A MERRY CHRISTMAS AND A HAPPY NEW YEAR



P.S. Several unit owners are installing front doors of their choosing which is not allowed. The Rules & Regulations address this issue. Please remember this is a condominium and "conformity" is the rule. Several owners have ignored the Rules & Regulations and insist they have the right to do what they want to their unit. NOT SO! If the nonconforming doors are installed, these unit owners will not receive their final payment for repairs until the authorized door is installed. Also, many unit owners have torn out plumbing fixtures and have left drain traps open which will leak when water from above is draining. In addition, drain lines and toilet drains into the slab have been left open. They have to be closed. We will not be responsible for clogged drain lines.

TO: FCC Unit Owners

FROM: Board of Directors

DATE: January 2, 2006

RE: Preliminary Accounting of Katrina Insurance Monies Received and Disbursed

Roof Repairs

09/20/05 - Insurance advance deposit for roof repairs	$175,000.00
09/22/05 - Paid for temporary tarp	($ 5,000.00)
10/01/05 - Received advance payment for roof repairs	$ 75,000.00
10/01/05 - Endorsed above payment to contractor	($ 75,000.00)
10/21/05 - Paid for roof repairs	($100,000.00)
11/10/05 - Paid for roof repairs	($ 25,996.49)
11/16/05 - Paid for roof repairs	($ 1,120.00)
11/24/05 - Paid for roof repairs	($ 1,120.00)
Reserve Balance for gutters and A/C repairs	**$ 41,763.51**

The first big LIE! REAR COURTYARD FLOOD VICTIMS

10/31/05 - Insurance advance deposit for rear building flood repairs	$200,000.00
10/21/05 - 50% advance payments to rear building unit owners	($163,500.00)
Reserve Balance for Final Payments, Rec & Laundry Rooms Repairs and Trash Hauling (Fianl Payment Still Due)	**$ 36,500.00**

FRONT COURTYARD FLOOD VICTIMS

12/12/05 - Insurance final payment deposit for front bldg. flood repairs	$519,829.40*
12/13/05 - 50% advance payments to front building unit owners	($120,635.93)
Reserve Balance for Final Payments, Rec & Laundry Rooms Repairs and Trash Hauling	**$399,193.47**

* included is approximately $128,000 for units not damaged which might have to be returned to the insurance company

12/14/05 - Insurance final payment deposit for front & rear building windstorm repairs	$568,089.31*
12/16/05 - 50% advance payments to front and rear bldg. unit owners	($325,592.95)
Reserve Balance for Final Payments, Rec & Laundry Rooms Repairs, A/C Repairs, Gutter Repairs and Trash Hauling	**$242,496.36****

* included is $46,000.00 deductible

** $108,148.31 additional is recoverable for depreciation when all windstorm damaged units are fully repaired

Trash Hauling Expenses Paid To Date	**($ 48,459.00) ***

* There are approximately $30,000 yet to be paid. Letters to all agencies, including congressional members, have been forwarded for help

TOTAL INSURANCE CASH ON HAND	**$671,494.34**